
Section 271 Petition for Expedited Rulemaking

Section 271 Coalition
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Section 271 Petition for Expedited Rulemaking

- 1996 Telecom Act imposed *additional* network unbundling obligations on the BOCs
 - Separate from Sec. 251
 - No restrictions
 - Ongoing
 - Rates and terms must be just, reasonable and not unreasonably discriminatory

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- Access to network elements under Sec. 271 is becoming increasingly important
 - Access under Sec. 251 decreasing
 - Forbearance
 - Mobile wireless and long distance carriers facing increased pressure from AT&T and Verizon
 - Data services increasing in importance

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- The BOCs are reaping the rewards of the '96 Act without meaningful compliance with Sec. 271 obligations
 - Ten years since first in-region interLATA entry application granted
 - Commission has never reviewed how Sec. 271 is working in a post-TRRO environment where wireless and data services are of increasing importance

Section 271 Petition for Expedited Rulemaking

- Federal courts have determined the FCC has exclusive jurisdiction to administer Sec. 271
- The FCC has declined to exercise its authority
- The BOCs have exploited this regulatory vacuum

Section 271 Petition for Expedited Rulemaking

- Purpose of the petition is to provide the FCC a framework for fulfilling its statutory obligation under Sec. 271
 - Simple, easy to administer rules

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■ Proposed rules:

- ❑ Ensure Sec. 271 offerings are free of restrictions and discrimination
- ❑ Ensure rates for Sec. 271 offerings are just and reasonable
- ❑ Establish an administrative device for Sec. 271 offerings

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■ Rates

- Rules propose a safe-harbor methodology
 - Based on New Services Test
 - Direct cost plus reasonable allocation of common cost
 - Direct cost = state-determined UNE costs (minus state-approved common cost allocation)
 - Common cost safe harbor of 22%
- Requires a minimum of regulatory oversight

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■ Administration

- Federal Statement of Generally Available Terms (SGAT)
 - Required
- Negotiated agreements
 - Voluntary but must be filed